

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

May 29, 2014

PUBLIC SESSION

A monthly meeting of the Board of Directors (the “Board”) of the Small Business Loan Fund Corporation (the “Corporation”) was held in public session at the offices of the Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, May 29, 2014, scheduled for 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. John Pagliarini, Mr. Lee Mercer, and Mr. Richard DeMerchant.

The following Directors were absent: Mr. Joseph Monteiro, Ms. Yahaira Placencia, and Ms. Antonieta Falconi.

Also present were: Mr. William Ash, Director of Financial Services for the Rhode Island Commerce Corporation, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Administrator, Mr. Marcel Valois, Executive Director of the Rhode Island Commerce Corporation, Mr. Christopher Cannata, Manager of Client Services for the Rhode Island Commerce Corporation, and Mr. John Garrahy, Esq., Moses Afonso Ryan Ltd.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 9:38 a.m.

2. Approval of the Minutes of the Meeting held on April 24, 2014

The first item to come before the Board was approval of the Minutes of the Board meeting held on April 24, 2014. A motion was duly made by Mr. DeMerchant and seconded by Mr. Pagliarini, to approve the Public and Executive Session Minutes of the meeting noted above was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Mercer, Mr. Pagliarini, and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Monteiro, Ms. Placencia, and Ms. Falconi.

3. Maintain the Executive Minutes of the April 24, 2014 meeting as Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on April 24, 2014. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Mercer, Mr. Pagliarini, and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Monteiro, Ms. Placencia, and Ms. Falconi.

4. Report of Cash Position as of April 30, 2014

Staff asked if there were any questions or comments regarding the Cash Report for the period ended April 30, 2014 (Exhibit A). Mr. DeMerchant indicated the format of the report should be revised and should reflect the sequestered funds in the "Net Lendable Funds" balance. Staff noted the requested revisions and stated they would revise the report for the next meeting. There was no further discussion regarding this report.

5. Delinquency Loan Report as of May 23, 2014

Mr. Fogarty asked if there were any questions regarding the Loan Delinquency report dated May 23, 2014 (Exhibit B). Mr. Ash noted that further discussion could take place in Executive Session regarding any legal action to be taken against delinquent Borrowers.

Executive Session

Mr. Fogarty suggested that the Board move into Executive Session. Upon motion duly made by Mr. Mercer and seconded by Mr. DeMerchant, the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Mercer, Mr. Pagliarini, and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Monteiro, Ms. Placencia, and Ms. Falconi.

Public Session concluded and Executive Session began at 9:53 a.m.

6. Executive Session Vote Ratification

Mr. Fogarty called for ratification of the votes adopted during Executive Session. Upon motion duly made by Mr. Pagliarini and seconded by Mr. Mercer, the following votes were ratified:

- (a) To approve the request from PW Enterprises, LLC for a \$500,000 loan subject to the conditions outlined in executive Session.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Mr. Fogarty, and Mr. Mercer.

The following Directors voted against the foregoing: Mr. DeMerchant

The following Directors were absent for the vote: Mr. Monteiro, Ms. Placencia, and Ms. Falconi.

7. Other Business

Mr. Price introduced Mr. Roger LaFlamme of PW Enterprises, LLC to the Board. Mr. LaFlamme thanked the Board for its consideration of his loan request. He then provided the Board with some examples of the types of products his company was manufacturing and fielded various questions from members.

Adjournment

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Mr. Pagliarini and seconded by Mr. Mercer, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Mercer, Mr. Pagliarini, and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Monteiro, Ms. Placencia, and Ms. Falconi.

The meeting was adjourned at 10:57 a.m.

Respectfully submitted,

/s/ Stacy Farrell
Stacy Farrell, Secretary